

**THE COMING HOME CONNECTION, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT



COMING HOME CONNECTION

*creating a community of care*

**THE COMING HOME CONNECTION, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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# TAYLORROTH

*Certified Public Accountants*

WORKING EXCLUSIVELY WITH NONPROFITS

## Independent Auditors' Report

Board of Directors  
The Coming Home Connection, Inc.  
Santa Fe, New Mexico

### ***Opinion***

We have audited the accompanying financial statements of **The Coming Home Connection, Inc.** (a New Mexico nonprofit corporation) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Coming Home Connection, Inc. as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Coming Home Connection, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Coming Home Connection, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Coming Home Connection, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Coming Home Connection, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously reviewed The Coming Home Connection, Inc.'s financial statements for the year ended December 31, 2022, and in our conclusion dated April 28, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modification that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

*Taylor Roth and Company PLLC*

Taylor, Roth and Company, PLLC  
Certified Public Accountants  
Albuquerque, New Mexico  
May 6, 2024

**THE COMING HOME CONNECTION, INC.**

**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	<u>2023</u> <u>(audited)</u>	<u>2022</u> <u>(reviewed)</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 305,664	\$ 363,891
Contract receivable	27,225	23,175
Prepaid expenses	1,422	3,257
Operating lease — right-of-use asset (Note 4)	<u>31,832</u>	<u>31,695</u>
Total assets	<u>\$ 366,143</u>	<u>\$ 422,018</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 1,550	\$ 1,264
Accrued payroll expenses	9,851	7,791
Operating lease liability (Note 4)	<u>32,180</u>	<u>31,889</u>
Total liabilities	<u>43,581</u>	<u>40,944</u>
 <u>Net assets</u>		
Without donor restrictions	268,305	306,983
With donor restrictions (Note 5)	<u>54,257</u>	<u>74,091</u>
Total net assets	<u>322,562</u>	<u>381,074</u>
Total liabilities and net assets	<u>\$ 366,143</u>	<u>\$ 422,018</u>

The accompanying notes are an integral part of these financial statements

**THE COMING HOME CONNECTION, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

	2023 (audited)			2022 (reviewed)
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Grants	\$ 75,000	\$ 75,000	\$ 150,000	176,500
Government contracts	112,300	-	112,300	78,925
Contributions	35,453	-	35,453	31,814
In-kind contributions (Note 6)	23,000	-	23,000	1,350
Government grants	-	-	-	46,241
All other	75	-	75	2,659
Net assets released from restrictions (Note 7)	94,834	(94,834)	-	-
Total revenue and other support	340,662	(19,834)	320,828	337,489
<u>Expense</u>				
Program services				
In-home care	98,329	-	98,329	110,168
Health navigation	81,680	-	81,680	81,362
Equipment loan	53,095	-	53,095	25,251
Housekeeping	21,010	-	21,010	2,696
No-cost caregiving	14,349	-	14,349	967
Volunteers	479	-	479	-
Total Program services	268,942	-	268,942	220,444
Supporting services				
General and administrative	67,844	-	67,844	51,602
Fund-raising	42,554	-	42,554	39,041
Total expense	379,340	-	379,340	311,087
Change in net assets	(38,678)	(19,834)	(58,512)	26,402
Net assets, beginning of year	306,983	74,091	381,074	354,672
Net assets, end of year	\$ 268,305	\$ 54,257	\$ 322,562	\$ 381,074

The accompanying notes are an integral part of these financial statements

**THE COMING HOME CONNECTION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

Description	2023 (audited)							2022 (reviewed)			
	Program Services					Supporting Services		Total	Total		
	In-home care	Health navigation	Equipment loan	Housekeeping services	No-cost caregiving	Volunteers	Total Program Services			General and Administrative	Fund-raising
Salaries and wages	\$ 62,955	\$ 60,680	\$ 21,581	\$ 6,951	\$ 6,951	\$ -	\$ 159,118	\$ 29,603	\$ 25,473	\$ 214,194	\$ 175,104
Payroll taxes and benefits	10,260	7,085	3,563	1,344	1,344	-	23,596	4,186	3,432	31,214	21,766
Occupancy	8,040	6,488	2,275	137	136	-	17,076	4,039	3,089	24,204	23,902
Equipment and supplies (Note 6)	-	-	23,000	-	-	-	23,000	-	-	23,000	-
Accounting services	-	-	-	-	-	-	-	22,164	-	22,164	17,278
Professional fees for service	380	-	-	12,410	5,230	-	18,020	-	160	18,180	17,993
Office expenses	3,541	2,333	1,238	55	55	249	7,471	2,290	2,329	12,090	12,013
Insurance	2,872	2,319	815	58	58	-	6,122	1,638	1,141	8,901	10,654
Information technology	1,420	1,314	407	38	38	-	3,217	791	3,934	7,942	6,487
Staff development and recruitment	5,831	372	76	15	534	-	6,828	632	170	7,630	15,455
Travel	2,065	984	113	-	1	230	3,393	1,358	125	4,876	2,925
Printing and postage	680	105	27	2	2	-	816	35	939	1,790	2,373
Advertising and promotion	-	-	-	-	-	-	-	-	1,667	1,667	2,509
All other	285	-	-	-	-	-	285	1,108	95	1,488	2,628
<b>Total expenses</b>	<b>\$ 98,329</b>	<b>\$ 81,680</b>	<b>\$ 53,095</b>	<b>\$ 21,010</b>	<b>\$ 14,349</b>	<b>\$ 479</b>	<b>\$ 268,942</b>	<b>\$ 67,844</b>	<b>\$ 42,554</b>	<b>\$ 379,340</b>	<b>\$ 311,087</b>

The accompanying notes are an integral part of these financial statements

**THE COMING HOME CONNECTION, INC.**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
	<u>(audited)</u>	<u>(reviewed)</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (58,512)	\$ 26,402
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Operating lease right-of-use amortization	(137)	23,348
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in receivables	(4,050)	33,889
(Increase)decrease in prepaid expenses	1,835	(518)
Increase(decrease) in accounts payable	286	(2,298)
Increase(decrease) in accrued payroll and other expenses	2,060	3,178
Increase(decrease) in operating lease liability	291	(23,153)
Net cash provided by operating activities	<u>(58,227)</u>	<u>60,848</u>
Cash and cash equivalents, beginning of year	<u>363,891</u>	<u>303,043</u>
Cash and cash equivalents, end of year	<u>\$ 305,664</u>	<u>\$ 363,891</u>
<u>Supplemental Information:</u>		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows--operating leases	<u>\$ (24,049)</u>	<u>\$ (23,383)</u>

The accompanying notes are an integral part of these financial statements



## THE COMING HOME CONNECTION, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

#### NOTE 1 - NATURE OF ACTIVITIES

The mission of **The Coming Home Connection, Inc.** (the Organization) is to lead, coalesce, and activate a community of support for older adults and their families that provides trusted, high quality and compassionate in-home caregiving, resources, and end of life care for all in need, no matter their ability to pay. Founded in 1997, the Organization trains, places and supports professional and volunteer caregivers in homes and other settings where help is needed to assist clients and their families through sickness, aging, and end of life. Funding is primarily from grants and contracts from various not-for-profit and governmental organizations.

The programs operated by the organization are as follows:

- In-home care: The Organization offers all levels of non-medical in-home care, such as companionship, cooking and light housekeeping, overnight supervision and transportation for medical appointments and errands.
- Health navigation: The Organization provides resource navigation services that help link clients with essential health and community services. Navigators coordinate care and services for mental, behavioral, and physical needs, and assist individuals in overcoming barriers to care while increasing their engagement.
- Equipment loans: The Organization operates an equipment loan program which provides new and gently used medical equipment and supplies to clients at no charge.
- Taking Care of Neighbors “TCN”: The Organization provides no-cost services to income-eligible clients twice a month or more, based on the client’s needs. Light caregiving services may include light housekeeping, groceries, errands, and meal prep.
- Coming Home Housekeeping: The Organization provides no-cost services to income-eligible clients twice a month. Services generally include regular cleaning of the kitchen and bathroom, laundry, and bed changes.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

##### 1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

##### 2. Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

2. Basis of Presentation (concluded)

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Contributions of Property and Equipment

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$5,000. The fair value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives range from 3 to 7 years. As of December 31, 2023, all capitalized assets were fully depreciated and no depreciation expense has been recognized by the Organization.

6. Contracts Receivable

Contracts receivable at year-end consist of amounts due from a local government entity. No allowance for doubtful accounts has been established as management believes the account is fully collectible.

As of December 31, 2023, the Organization has a balance remaining on a contract awarded during 2023, totaling approximately \$11,950. Management expects the revenue to be recognized in the following year as qualifying services are provided.

7. Revenue and Revenue Recognition

A portion of the Organization's revenue is derived from governmental grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses in compliance with grant and contract provisions.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until depend on have been substantially met. All contributions are available for unrestricted use unless specifically restricted by the donor.

8. Donated Materials and Services

Non-cash donations of goods used in operations are recorded at their estimated fair value at the date of donation. The Organization recognizes donated services which require specific expertise and that otherwise would have been paid for if not donated. The value of donated services is recorded at the fair value of such services. The Organization receives substantial services donated by volunteers that do not meet criteria for recognition in these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

9. Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred, and for the year ended December 31, 2023, advertising expense was \$1,667.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

12. Functional Reporting of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of time and effort of employees include: salaries, payroll taxes and benefits, travel and meetings, and staff development. All other significant costs are assigned directly to the program or functional area benefited.

13. Lease

The Organization accounts for leases in accordance with Accounting Standards Update (ASU) No. 2016-02, *Leases* (ASC 842), as amended. The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has made an accounting policy election by asset class to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Lease terms may include options to extend or terminate the lease if it is reasonably certain that management will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

14. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

15. Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

16. Subsequent Events

Management has evaluated subsequent events through May 6, 2024, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 305,664
Contract receivable	<u>27,225</u>
Total financial assets	<u>332,889</u>
Less amounts with donor restrictions for time or purpose	(54,257)
Plus donor-restricted net assets with time and purpose restrictions expected to be met within one year	<u>54,257</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 332,889</u>

Management's goal is to generally maintain a cash reserve to meet approximately 3 months of operating expenses, estimated at \$100,000, to be used for operations if needed due to unexpected circumstances, such as reductions in grant funding or contributions.

NOTE 4 - OPERATING LEASE

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent its obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, which arose from an operating lease, were calculated based on the present value of future lease payments over the lease term. Operating lease cost is recognized on a straight-line basis over the lease term as *occupancy* expense in the Statement of Functional Expenses. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The Organization's operating lease is for office space in Santa Fe, New Mexico and originated in January 2021. The lease was subsequently amended in April 2021 and April 2024 and currently includes a term ending in April 2025. The 2021 lease included a base monthly rent of \$1,470 and escalates to a high of \$1,543.50 per month in 2024. The lease also requires the payment of a prorated share of operating costs, which includes expenses incurred by the landlord, such as utilities, property tax, janitorial services, insurance and maintenance and repair. The estimated amount of operating costs is \$450 for the first year and \$490 for subsequent years, which is paid on a monthly basis with the base rent expense. On an annual basis, an accounting of the actual operating costs is determined, and payment is required for any differences.

NOTE 4 - OPERATING LEASE (concluded)

Lease information includes the following:

<u>Description</u>	<u>Amount</u>
<i>Components of lease cost:</i>	
Operating lease cost	\$ 24,204
Short-term (terms of 12 months or less)	-
Total	<u>\$ 24,204</u>
<i>Other information:</i>	
Remaining lease term	1.33 years
Discount rate	1.04%
<i>Future maturities of lease liabilities:</i>	
<u>Years ending December 31st:</u>	<u>Amount</u>
2024	\$ 24,284
2025	8,134
Total	32,418
Less: present value discount	<u>(238)</u>
Present value of lease liability	<u>\$ 32,180</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2023, net assets with donor restrictions included:

<u>Description</u>	<u>Amount</u>
Health navigation	<u>\$ 54,257</u>

NOTE 6 - IN-KIND CONTRIBUTIONS — EQUIPMENT LOAN PROGRAM

The Organization routinely receives donations of medical supplies and gently used medical equipment. The donations are used in the Organization's equipment loan program to support needs of clients. Valuation of donated unused, new items is determined according to retail value, and valuation of used items, such as medical equipment (i.e. walkers, hospital beds, etc.) is determined based on thrift store value. During the year ended December 31, 2023, the Organization recognized \$23,000 in donated equipment and medical supplies. The donations do not have any donor-imposed restrictions.

NOTE 7 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets released from donor restrictions included:

<u>Description</u>	<u>Amount</u>
Health impact	\$ 61,374
Health navigation	18,460
Capacity building	<u>15,000</u>
Total	<u>\$ 94,834</u>

NOTE 8 - CONCENTRATIONS

*Revenue and Receivables*

For the year ended December 31, 2023, approximately 80 percent of all revenue was from three sources, with 32 percent provided by a contract from a local governmental entity and 38 percent from two non-governmental grantors. In addition, as of year-end, 92 percent of receivables were due from the local government entity.

*Cash Deposits*

At year-end, the Organization maintained cash assets in a local banking institution that exceeded the coverage offered by the Federal Deposit Insurance Corporation. The uninsured balance was \$46,711.

NOTE 9 - CONTINGENCIES

*CARES Act — PPP and ERC*

Laws and regulations concerning government programs, including the Paycheck Protection Program (PPP) and the Employee Retention Credit (ERC) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the PPP or ERC, and it is not possible to determine the impact (if any) this would have upon the Organization. Management does not believe the results of any audits or reviews by regulatory authorities would result in any financial liabilities or repayments.